

**DEPARTMENT OF ENERGY SUPPLEMENT TO
THE GOVERNMENT-WIDE REPORT ON IMPLEMENTATION OF
PUBLIC LAW 106-107**

I. BACKGROUND

This enclosure is the Department of Energy (DOE) supplement to the Government-wide Annual Progress Report on Implementation of Public Law 106-107, the Federal Financial Assistance Management Improvement Act of 1999. This report summarizes DOE's efforts to streamline and simplify its grants processes and activities for the period May 2003 through May 2004.

**II. PARTICIPATION IN THE GOVERNMENT-WIDE STREAMLINING
AND GRANTS.GOV EFFORTS**

DOE has continued its participation on the interagency work groups, subgroups, and teams that were established to implement the Government-wide streamlining and Grants.gov efforts. DOE staff has actively participated in the following work groups and efforts:

Pre-Award Work Group.

- Discretionary Subgroup.
- Team of four that developed the Government-wide announcement format and policy guidance, which the Office of Management and Budget (OMB) issued on June 23, 2003 [68 FR 37370].
- Team of four that developed the final Grants.gov FIND data elements and definitions, which OMB published on June 23, 2003 [68 FR 37379].
- Team of five that is developing the terms and conditions for national policy requirements.
- The team that developed for OMB consideration a recommended approach and guidance that would establish standard award terms and conditions for administrative requirements.
- The team that developed recommendations to OMB for resolving public comments on the proposal to establish Title 2 of the Code of Federal Regulations. The team also prepared a draft *Federal Register* notice for OMB.

Post-Award Work Group.

- Reporting Subgroup that is responsible for developing standard financial, progress/performance, property (real and personal) and invention reports.
- Co-chair of the invention reporting team.
- Progress/performance reporting team.
- Single Audit User Group.

Grants.gov Initiative

- Stakeholders meetings.
- The IAEGC. DOE often hosts this meeting and provides the necessary staff and equipment to support this effort.
- IAEGC Research and Related Subcommittee.
- Team of three that developed the Grants.gov SF 424 Research and Related (R&R) application package.
- Electronic Standards Work Group, which developed the XML standards for the SF-424.
- Grants.gov focus groups. DOE also provided feedback to the Grants.gov Program Management Office on test forms and its experience with Grants.gov APPLY.

Grants Management Line of Business Task Force

- Task Force – two DOE representatives
- Request for Information Response Review Team
- Target Architecture Team
- Business Case Team

Other Streamlining and Simplification Activities

- Federal Demonstration Partnership (FDP). The FDP is a formal partnership between 10 Federal agencies, including DOE, and 96 research institutions. The objective of the partnership is to reduce administrative burden while providing streamlined, efficient, and effective ways to collaborate on research. DOE participates on several committees and subcommittees.
- National Science and Technology Council's Research Business Models Subcommittee. DOE has two representatives on this subcommittee and each is a steward for one of the 10 initiatives endorsed by the Committee on Science.

III. INTERNAL EFFORTS TO CREATE AN ENVIRONMENT CONDUCTIVE TO GRANTS STREAMLINING AND SIMPLIFICATION AND ASSESS IMPACT OF CHANGES

A. General Approach

The DOE senior management fully supports the Federal grants streamlining process. Although DOE has a small grants management staff, supervisors designated representatives and supported their efforts on the numerous work groups and teams. In addition, the Chief Information Officer staff routinely briefs senior management on the initiatives and potential impact on the Department's grant programs.

DOE continues to provide outreach to its internal constituencies. Such activities include presentations at meetings of technical/program managers and at procurement directors' meetings; disseminating information via conference calls with the field grants management staff; conducting one-on-one or small group briefings with program staff; and a collaborative website utilized by grants management staff. The Office of Procurement and Assistance Management staff is also working with representatives from Department's awarding activities and program offices to ensure that these offices understand and implement the new grant requirements.

DOE program offices continue to provide briefings on the Department's grants processes and Grants.gov initiative at meetings of constituency groups. The Office of Energy Efficiency and Renewable Energy staff routinely brief State organizations on the status of the streamlining efforts and its strategy for making an effective transition to Grants.gov APPLY.

B. Grants.govFIND

DOE has participated in Grants.govFIND since its inception. This early involvement allowed the Department to perform an extensive modification to its existing posting system and begin transmitting synopses to Grants.govFIND in March 2003, three months before its scheduled date. Even though full participation was not required until October 2003, DOE began posting 100 percent of its discretionary grant and cooperative agreement synopses on the Grants.gov site in May 2003. The Department's updated grant system automatically posts synopses on Grants.gov at the same time the full announcement is posted on the DOE e-Center Internet site. There is no time lag between the release of the full announcement and the Grants.gov posting.

Based on the OMB proposed policy requirement to post synopses of funding opportunity announcements at Grants.gov [68 FR 37385, June 23, 2003], the DOE and National Nuclear Security Administration (NNSA) procurement executives issued policy guidance in September 2003 that required DOE to post all synopses of discretionary grant and cooperative agreement program announcements on Grants.gov on and after October 1, 2003. Since DOE had been posting announcements on this site for five months, the policy merely formalized the current process.

DOE formally amended its Assistance Regulations on February 20, 2004 [69 FR 7865]. The amendment established a regulatory requirement to post synopses of funding opportunities on Grants.gov and deleted the requirement to publish such synopses in the *Federal Register*. DOE continued publishing duplicative synopses on Grants.gov FIND and the *Federal Register* until the effective date of the rule, March 22, 2004. This provided adequate time for the financial assistance community to become acclimated to the Grants.gov Internet site. It also allowed DOE to realize efficiencies through the use of Grants.gov.

C. Announcement Template

DOE was actively involved with the development of the Government-wide announcement format. In anticipation of the adoption of this format, DOE developed an announcement template that is fully consistent with the OMB policy and format. DOE had not previously used a Department-wide template for announcements of funding opportunities so the new template not only ensures compliance with the OMB requirements, it also provides more uniformity across DOE.

The DOE and NNSA procurement executives issued policy guidance on September 17, 2003 that required program announcements issued on or after November 1, 2003 be consistent with the Government-wide format. This guidance also directed contracting officers to use the DOE announcement template and provided detailed instructions on how to access and complete the template. On February 20, 2004, DOE formally amended its financial assistance regulations [69 FR 7865] to establish the Government-wide announcement format as the DOE format for announcements of financial assistance funding opportunities. The DOE announcement template has been used on 100 percent of the Department's discretionary program announcements issued after November 2003.

D. The Grants.gov Portal for Electronic Applications

In August 2003, the DOE Procurement and Assistance Information Technology (IT) staff began working with the Grants.gov Program Management Office (PMO) to identify the technical requirements for the system-to-system interface between the Department's grants management system and Grants.gov. The migration path provided by Grants.gov was geared towards agencies without an existing Grants management system. This meant that the DOE IT staff had to performed extensive analyses to identify the functional and technical steps required to develop the system-to-system interface. The connection was developed in stages over several months and was closely coordinated with the Grants.gov staff.

The Golden Field Office volunteered to be the first DOE office to receive applications through Grants.gov. The Headquarters IT and policy staffs trained the Golden staff on the new requirements. Before applications were due, the Golden staff provided extensive outreach to the grant staffs at the State agencies that were expected to submit applications. Even with this extensive outreach effort, many applicants were confused by the registration process and encountered numerous problems when they tried to submit their applications. DOE had to amend the program announcement twice to extend the closing date to address Grants.gov submission problems. Finally, DOE allowed a few applicants to submit their applications through the Department's grants system since they were unable to submit them to Grants.gov. Nevertheless, the DOE system was able to successfully retrieve the 12 applications that were submitted to Grants.gov. After awards were made, the Golden staff surveyed the applicants to identify all the problems encountered and communicated the results to the Grants.gov PMO.

DOE intends to start using Grants.gov for applications submitted in response to discretionary program announcements issued after October 1, 2004, or as soon as possible after all the Grants.gov R&R application forms are developed and tested, whichever comes later.

IV. OTHER

As part of its initiative to consult with non-Federal entities, the Department solicited comments and suggestions from the grant community. DOE received comments from for-profit organizations relating to issues that were unique to DOE and that were not being addressed in the Government-wide effort to implement Public Law 106-107. In response to these comments, DOE published a Notice of Proposed Rulemaking. In this notice, DOE proposed new administrative requirements for awards to for-profit organizations. The new requirements had been tailored specifically for these organizations. DOE made changes in the proposed rule in response to public comments and published a final rule on August 23, 2003 [68 FR 50646].